



## Press Release

### Dhara Motor Finance Limited (DMFL)

**November 06, 2024**

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Rating	Rating Action	Complexity Indicator
Long term Bank Facilities	161.11 (reduced from 200.00)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	Reaffirmed	<a href="#">Simple</a>
Long term Bank Facilities	30.49	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	--	Assigned	<a href="#">Simple</a>
Non-Convertible Debentures	7.66	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	--	Assigned	<a href="#">Simple</a>
Long term Bank Facilities - Proposed	88.40 (enhanced from 23.89)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	Reaffirmed	<a href="#">Simple</a>
Proposed Non-Convertible Debentures	12.34	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	--	Assigned	<a href="#">Simple</a>
Fixed Deposit**	0.00 (reduced from 9.00)	--	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	Withdrawn	<a href="#">Simple</a>
<b>Total</b>	<b>Rs. 300.00 (Rs. Three Hundred Crore only)</b>				

**\*\*Withdrawn since repaid fully.**

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

#### Detailed Rationale

Infomerics Ratings has assigned/reaffirmed its rating to the Bank facilities/debt instruments of DMFL derives strengths from increase in AUM coupled with satisfactory NIM, comfortable asset quality and capital structure, and experienced and established track record of management in the auto finance industry. However, these rating strengths are partially



## Press Release

constraint by competitive nature of industry, and geographic concentration risk resulting in moderate scale of operations.

The ratings assigned to the Fixed deposit have been withdrawn at the request of the company and it is fully repaid. The rating has been withdrawn in accordance with Infomerics' Policy on Withdrawal of ratings

The outlook is "Stable" as DMFL will continue to get benefit from the management's extensive experience, along with its ability to maintain a strong capital adequacy ratio and stable loan asset quality over the medium term.

### **Key Rating Sensitivities:**

#### **Upward Factors**

- Significant and sustained increase in the scale of operations, while maintaining healthy the asset quality, comfortable capitalisation levels and profitability.

#### **Downward Factors**

- Inability to increase the scale of operations and/or significant deterioration in the asset quality and along with a substantial increase in leverage.

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**

##### **Increase in AUM coupled with satisfactory NIM**

The total loan assets increased to Rs. 224.55 crore in FY24 (periods refers from April 2023 to March 2024) mainly due to growth in business loan lending by ~46% (FY23: Rs. 182.47 crore). Further, the net interest income (NII) increased to Rs. 20.28 crore in FY24 from Rs. 14.51 crore in FY23. Additionally, the net interest margin improved and stood at 9.97% on account of lower interest spread (FY23: 9.17%). Additionally, the NIM for Q1FY25 stood at Rs. 11.48 crore.



## Press Release

### **Comfortable asset quality and Capital adequacy levels**

DMFL's asset quality has slightly improved with GNPA and NNPA at 2.08% and 1.50% respectively in FY24 (FY23: 2.17% and 1.69%) with lower delinquencies.

DMFL's capital adequacy ratio remained comfortable though slightly declined at 25.80% in FY24 as against 28.10% in FY23. However, the promoters are also expected to infuse equity in the short to medium term.

### **Experienced management in the auto finance industry and established presence:**

The day-to-day operations of the company are managed by the directors including Mr. G.S. Chauhan who has around 36 years of experience in commercial banking. In addition, DMFL has Mr. Gajendra Singh, Mr. Bhupendra Singh, Mr. Arun Kumar, Mr. Bhupinder Kumar Kaushik in their board who have more than three decades experience in banking and finance industry in different capacities.

### **Key Rating Weaknesses**

#### **Competitive nature of industry**

DMFL faces intense competition from a wide range of NBFCs, both large and small. The lending sector, particularly in the NBFC financing space across diverse ticket sizes, is highly fragmented, with numerous unorganized lenders also targeting the same borrower base.

#### **Geographic Concentration Risk resulting in moderate scale of operations**

DMFL's operations are concentrated with presence in Uttar Pradesh, Uttarakhand, Delhi, Haryana and hence the scale of operations remain moderate. The company is however majorly catering to Uttar Pradesh and has total loan assets of 62.95 % in FY24 followed by Uttarakhand of 20.78%. There is high concentration towards one state which poses the risk of geographical concentration. However, as per management, they will diversify this risk with Rajasthan.



## Press Release

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Policy on Default Recognition and post default curing period](#)

[Rating Methodology for Financial Institutions/NBFCs](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy On Withdrawal of Ratings](#)

### **Liquidity – Adequate**

Considering the scale of operations as on March 31,2024(A), DMFL is well capitalized with CRAR (%) of 25.80%. Also, it has adequately matched asset liability profile as on 31.03.2024.

### **About the Company**

Incorporated as a NBFC in 1990 and registered as a deposit taking NBFC under "A category with Reserve Bank of India since inception. The Company was promoted by Mr. Raj Kumar Goel and associates. In 2002, it was converted into a Public Ltd Company. Subsequently in 2006, the Company was taken over by Mr. Gajendra Singh and family. In 2010, Company got AFC (Asset Finance Company) certificate from RBI.

### **Financials (Standalone):**

	(Rs. crore)	
For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	30.84	45.32
PAT	4.01	4.76
Tangible Net worth	58.78	64.48
Total Asset	230.02	272.08
<b>Ratios</b>		
NIM (%)	9.17	9.97
ROTA (%)	2.66	2.44
Interest Coverage (times)	1.47	1.35
Total CAR (%)	28.10	25.80
Gross NPA [Stage III] (%)	2.17	2.08
Net NPA [Stage III] (%)	1.69	1.50

\* Classification as per Infomerics' standards.



## Press Release

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Nil

**Rating History for last three years:**

Sr. No.	Name of Security/Facilities	Current Ratings (2024-25)			Rating History for the past 3 years		
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Date: 18/03/2024	Date: 24/05/2023	Date: 18/01/2023
1.	Term Loan	Long Term	134.11	IVR BBB/Stable	IVR BBB/Stable	IVR BBB/Stable	IVR BBB/Stable
2.	Term Loan	Long Term	30.49	IVR BBB/Stable	--	--	--
3.	Cash Credit	Long Term	27.00	IVR BBB/Stable	IVR BBB/Stable	IVR BBB/Stable	IVR BBB/Stable
4.	NCDs	Long Term	7.66	IVR BBB/Stable	--	--	--
5.	Proposed Term Loan	Long Term	88.40	IVR BBB/Stable	IVR BBB/Stable	IVR BBB/Stable	IVR BBB/Stable
6.	Proposed – NCDs	Long Term	12.34	IVR BBB/Stable	--	--	--
7.	Fixed Deposit**	Long Term	0.00	-- (Withdrawn)	IVR BBB/Stable	IVR BBB/Stable	IVR BBB/Stable

**\*\*Withdrawn since repaid fully.**

### Analytical Contacts:

Name: Amey Joshi

Tel: (022) – 6239 6023

Email: amey.joshi@infomerics.com

### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).





## Press Release

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Instrument/Facility Details

Name of Facility/Security	ISIN	Listing status	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/Outlook
Term Loan	--	--	--	--	Feb 2025 – Dec 2027	164.60	IVR BBB/Stable
Cash Credit	--	--	--	--	Revolving	27.00	IVR BBB/Stable
NCD - III	INE0DS107027	Unlisted	5 <sup>th</sup> Oct 2023	14%	5 <sup>th</sup> Apr 2026	2.00	IVR BBB/Stable
NCD - IV	INE0DS107043	Unlisted	11 <sup>th</sup> Jan 2024	13%	11 <sup>th</sup> Feb 2025	1.10	IVR BBB/Stable



## Press Release

NCD - V	INE0DS107084	Unlisted	08 <sup>th</sup> Aug 2024	13%	08 <sup>th</sup> Sep 2025	1.20	IVR BBB/Stable
NCD – VI	INE0DS107076	Unlisted	5 <sup>th</sup> Aug 2024	11.10%	5 <sup>th</sup> Aug 2026	0.70	IVR BBB/Stable
NCD – VII	INE0DS107068	Unlisted	5 <sup>th</sup> Aug 2024	11.10%	5 <sup>th</sup> Aug 2029	0.60	IVR BBB/Stable
NCD – VIII	Not Available**	Unlisted	04 <sup>th</sup> Sep 2024	11.10%	04 <sup>th</sup> Sep 2030	2.06	IVR BBB/Stable
Proposed NCDs	TBD	TBD	TBD	TBD	TBD	12.34	IVR BBB/Stable
Proposed Term Loan	--	--	--	--	--	88.40	IVR BBB/Stable

*\*\*DMFL has applied for an ISIN number with NSDL and is awaiting for its issuance.*

### Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-DharaMotor-nov24.pdf>

### Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

#### 1. NCD Issue Size: Rs. 2.00 crore

ISIN No.	INE0DS107027
Issue Date	5 <sup>th</sup> Oct 2023
Security Name	14% Secured Unrated Unlisted Redeemable Non-Convertible Debentures
Date of Maturity	5 <sup>th</sup> April 2026
Type of Instrument	Non-Convertible Debentures (NCDs)
Mode of Issue	Private Placement
Issue Size	Rs. 2.00 crore
Coupon Rate	14.00%
Tenure	30 months from Deemed Date of Allotment
Covenants	10.1.1 The Company shall maintain its existence, corporate or otherwise, and right to carry on business and operations and ensure that it has the appropriate, requisite Consents and is duly qualified to conduct its business and operations as it is conducted



## Press Release

	<p>in all applicable jurisdictions and will obtain and maintain all franchises, consent, approvals, and rights necessary for the conduct of its business and operations in such jurisdictions.</p> <p>10.1.2 The Company shall comply with all its obligations under each Transaction Document.</p> <p>10.1.3 The Company shall promptly obtain all necessary Consents and shall maintain and comply with the terms of all such Consents, as maybe necessary for entering into or performing its obligations under this Agreement and the other Transaction Documents or for conducting its business and operations.</p> <p>10.1.4 The Company shall use the Subscription Amount for the Purpose as agreed to. The Company shall obtain all requisite permissions required in this regard as per the terms of the information Memorandum before every Tranche.</p> <p>10.1.5 The Company shall ensure that, save as otherwise provided in this Agreement and the other Transaction Documents, its obligations under this Agreement and the other present and future obligations.</p> <p>10.1.6 The Company shall make timely payment of all Taxes and shall file all relevant Tax returns when due.</p> <p>10.1.7 The Company shall hypothecate Hypothecated Assets in favour of the Debenture Trustee in such form and manner as may be decided by Debenture Trustee and shall maintain the value of such receivables above Secured Obligations as all times.</p> <p>10.1.8 The Company shall further provide to the Debenture Trustee, at the time of creation of Charge on Hypothecated Assets and at the request of the Debenture Trustee thereafter, a certificate of a chartered accountant, to the satisfaction of the Debenture Trustee, certifying that the value of the Hypothecated Assets, immediately before the creation of charge, is equal to or more than the Security Collateral Value. The Company hereby confirms that</p>
--	--





## Press Release

the certificate of the chartered accountant provided shall be considered a true representation of the valuation of Hypothecated Assets, and the Debenture Trustee shall hold true the representations, without being required to verify the authenticity of such representations by the Company, received in the certificate of the chartered accountant as provided by the Company for monitoring the maintenance of the value of Hypothecated Assets above the Secured Collateral Value.

10.1.9 The Company shall execute any further instruments and take further action as Debenture Trustee may reasonably request to perfect or continue Debenture Trustee's right in the Security or to effect the transactions contemplated under the Transaction Documents.

10.1.10 The Company shall not declare dividend to the Debenture Holder in any year until the Company has paid or made satisfactory provision for the payment of the instalments of principal and interest due on the Debentures.

10.1.11 Duties of the trustee including the terms and conditions of periodical monitoring.

### **10.2 Specific Restrictive Covenants**

The Issuer hereby covenants and agrees with the Debenture Trustee that until all the Secured Obligations under this Agreement and/or the other Transaction Documents are fully discharged and performed to the satisfaction of Debenture Holder and Debenture Trustee. the Company shall not, and the Promoters shall ensure that the Company does not, without the prior written approval of the Debenture Holder and Debenture Trustee:

10.2.1 contract, create, incur, assume or suffer to exist any manner whatsoever except as specifically permitted under this Agreement or as maybe specifically approved;



## Press Release

	<p>10.2.2 Pay any commission to its Promoters, directors, managers or other Persons for furnished guarantees, counter guarantees or indemnities or for undertaking any other Obligations undertaken for or by the Company.</p> <p>10.2.3 Make any significant changes in the composition of the Board of directors of the Company.</p> <p>10.2.4 Undertake or permit any re-organization, re capitalization, liquidation, dissolution, merger, de-merger, consolidation, scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction wherein such approval shall not be unreasonably withheld.</p> <p>10.2.5 Make any investments whether by way of deposits, loans, or investments in share capital or otherwise, in any concern, or provide any credit or give any guarantee, Indemnity or similar assurance or surety except as specifically permitted under this Agreement or as may be specifically approved, which approval shall not be unreasonably withheld.</p> <p>10.2.6 Reduce its capital or quasi equity (i.e. loans taken from other group entities).</p> <p>10.2.7 Permit any decrease in the Promoters' stake in the Company, except in accordance with the existing agreement entered into between the Company, the Promoters and the existing investors (as on the date of this Agreement), provided that, in no event shall the Promoters' collective stake in the Company stand reduced by more than 25% (twenty five per cent) of the total shareholding percentage of the Promoters on a fully diluted basis (as on the date of this Agreement), either by way of a fresh infusion or a share transfer.</p> <p>10.2.8 Permit or undertake the pre-payment of any long-term debt by creating further long- term debt and the terms of which are not in favour of the business of the Company.</p>
--	---



## Press Release

	<p>10.2.9 Take or incur any loan or financial obligations towards any Person.</p> <p>10.2.10 shall not create further charge or encumbrance over the assets charged without the approval of the Trustee unless the Debenture Trustee's approval is provided.</p> <p>10.2.11 Comply with all directions/guidelines issued by a Regulatory authority, with regard to the Issue.</p>
--	---

### 2. NCD Issue Size: Rs. 1.10 crore

<b>ISIN No.</b>	INE0DS107043
<b>Issue Date</b>	11 <sup>th</sup> Jan 2023
<b>Security Name</b>	13% Secured Unrated Unlisted Redeemable Non-Convertible Debentures
<b>Date of Maturity</b>	11 <sup>th</sup> Feb 2025
<b>Type of Instrument</b>	Non-Convertible Debentures (NCDs)
<b>Mode of Issue</b>	Private Placement
<b>Issue Size</b>	Rs. 1.10 crore
<b>Coupon Rate</b>	13.00%
<b>Tenure</b>	13 months from Deemed Date of Allotment
<b>Covenants</b>	<p>10.1.1 The Company shall maintain its existence, corporate or otherwise, and right to carry on business and operations and ensure that it has the appropriate, requisite Consents and is duly qualified to conduct its business and operations as it is conducted in all applicable jurisdictions and will obtain and maintain all franchises, consent, approvals, and rights necessary for the conduct of its business and operations in such jurisdictions.</p> <p>10.1.2 The Company shall comply with all its obligations under each Transaction Document.</p> <p>10.1.3 The Company shall promptly obtain all necessary Consents and shall maintain and comply with the terms of all</p>



## Press Release

	<p>such Consents, as maybe necessary for entering into or performing its obligations under this Agreement and the other Transaction Documents or for conducting its business and operations.</p> <p>10.1.4 The Company shall use the Subscription Amount for the Purpose as agreed to. The Company shall obtain all requisite permissions required in this regard as per the terms of the information Memorandum before every Tranche.</p> <p>10.1.5 The Company shall ensure that, save as otherwise provided in this Agreement and the other Transaction Documents, its obligations under this Agreement and the other present and future obligations.</p> <p>10.1.6 The Company shall make timely payment of all Taxes and shall file all relevant Tax returns when due.</p> <p>10.1.7 The Company shall hypothecate Hypothecated Assets in favour of the Debenture Trustee in such form and manner as may be decided by Debenture Trustee and shall maintain the value of such receivables above Secured Obligations as all times.</p> <p>10.1.8 The Company shall further provide to the Debenture Trustee, at the time of creation of Charge on Hypothecated Assets and at the request of the Debenture Trustee thereafter, a certificate of a chartered accountant, to the satisfaction of the Debenture Trustee, certifying that the value of the Hypothecated Assets, immediately before the creation of charge, is equal to or more than the Security Collateral Value. The Company hereby confirms that the certificate of the chartered accountant provided shall be considered a true representation of the valuation of Hypothecated Assets, and the Debenture Trustee shall hold true the representations, without being required to verify the authenticity of such representations by the Company, received</p>
--	--



## Press Release

	<p>in the certificate of the chartered accountant as provided by the Company for monitoring the maintenance of the value of Hypothecated Assets above the Secured Collateral Value.</p> <p>10.1.9 The Company shall execute any further instruments and take further action as Debenture Trustee may reasonably request to perfect or continue Debenture Trustee's right in the Security or to effect the transactions contemplated under the Transaction Documents.</p> <p>10.1.10 The Company shall not declare dividend to the Debenture Holder in any year until the Company has paid or made satisfactory provision for the payment of the instalments of principal and interest due on the Debentures.</p> <p>10.1.11 Duties of the trustee including the terms and conditions of periodical monitoring.</p> <p><b>10.2 Specific Restrictive Covenants</b></p> <p>The Issuer hereby covenants and agrees with the Debenture Trustee that until all the Secured Obligations under this Agreement and/or the other Transaction Documents are fully discharged and performed to the satisfaction of Debenture Holder and Debenture Trustee. the Company shall not, and the Promoters shall ensure that the Company does not, without the prior written approval of the Debenture Holder and Debenture Trustee:</p> <p>10.2.1 contract, create, incur, assume or suffer to exist any manner whatsoever except as specifically permitted under this Agreement or as maybe specifically approved;</p> <p>10.2.2 Pay any commission to its Promoters, directors, managers or other Persons for furnished guarantees, counter guarantees or indemnities or for undertaking any other Obligations undertaken for or by the Company.</p>
--	--





## Press Release

	<p>10.2.3 Make any significant changes in the composition of the Board of directors of the Company.</p> <p>10.2.4 Undertake or permit any re-organization, re capitalization, liquidation, dissolution, merger, de-merger, consolidation, scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction wherein such approval shall not be unreasonably withheld.</p> <p>10.2.5 Make any investments whether by way of deposits, loans, or investments in share capital or otherwise, in any concern, or provide any credit or give any guarantee, Indemnity or similar assurance or surety except as specifically permitted under this Agreement or as may be specifically approved, which approval shall not be unreasonably withheld.</p> <p>10.2.6 Reduce its capital or quasi equity (i.e. loans taken from other group entities).</p> <p>10.2.7 Permit any decrease in the Promoters' stake in the Company, except in accordance with the existing agreement entered into between the Company, the Promoters and the existing investors (as on the date of this Agreement), provided that, in no event shall the Promoters' collective stake in the Company stand reduced by more than 25% (twenty five per cent) of the total shareholding percentage of the Promoters on a fully diluted basis (as on the date of this Agreement), either by way of a fresh infusion or a share transfer.</p> <p>10.2.8 Permit or undertake the pre-payment of any long-term debt by creating further long- term debt and the terms of which are not in favor of the business of the Company.</p> <p>10.2.9 Take or incur any loan or financial obligations towards any Person.</p>
--	---



## Press Release

	<p>10.2.10 shall not create further charge or encumbrance over the assets charged without the approval of the Trustee unless the Debenture Trustee's approval is provided.</p> <p>10.2.11 Comply with all directions/guidelines issued by a Regulatory authority, with regard to the Issue.</p>
--	---

### 3. NCD Issue Size: Rs. 1.20 crore

<b>ISIN No.</b>	INE0DS107084
<b>Issue Date</b>	08 <sup>th</sup> Aug 2024
<b>Security Name</b>	13% SECURED UNRATED UNLISTED REDEEMABLE NON- CONVERTIBLE DEBENTURES
<b>Date of Maturity</b>	08 <sup>th</sup> Sep 2025
<b>Type of Instrument</b>	Non-Convertible Debentures (NCDs)
<b>Mode of Issue</b>	Private Placement
<b>Issue Size</b>	Rs. 1.20 crore
<b>Coupon Rate</b>	13.00%
<b>Tenure</b>	13 months from Deemed Date of Allotment
<b>Covenants</b>	<p>10.1.1 The Company shall maintain its existence, corporate or otherwise, and right to carry on business and operations and ensure that it has the appropriate, requisite Consents and is duly qualified to conduct its business and operations as it is conducted in all applicable jurisdictions and will obtain and maintain all franchises, consent, approvals, and rights necessary for the conduct of its business and operations in such jurisdictions.</p> <p>10.1.2 The Company shall comply with all its obligations under each Transaction Document.</p> <p>10.1.3 The Company shall promptly obtain all necessary Consents and shall maintain and comply with the terms of all such Consents, as maybe necessary for entering into or performing its obligations under this Agreement and the other</p>



## Press Release

	<p>Transaction Documents or for conducting its business and operations.</p> <p>10.1.4 The Company shall use the Subscription Amount for the Purpose as agreed to. The Company shall obtain all requisite permissions required in this regard as per the terms of the information Memorandum before every Tranche.</p> <p>10.1.5 The Company shall ensure that, save as otherwise provided in this Agreement and the other Transaction Documents, its obligations under this Agreement and the other present and future obligations.</p> <p>10.1.6 The Company shall make timely payment of all Taxes and shall file all relevant Tax returns when due.</p> <p>10.1.7 The Company shall hypothecate Hypothecated Assets in favour of the Debenture Trustee in such form and manner as may be decided by Debenture Trustee and shall maintain the value of such receivables above Secured Obligations as all times.</p> <p>10.1.8 The Company shall further provide to the Debenture Trustee, at the time of creation of Charge on Hypothecated Assets and at the request of the Debenture Trustee thereafter, a certificate of a chartered accountant, to the satisfaction of the Debenture Trustee, certifying that the value of the Hypothecated Assets, immediately before the creation of charge, is equal to or more than the Security Collateral Value. The Company hereby confirms that the certificate of the chartered accountant provided shall be considered a true representation of the valuation of Hypothecated Assets, and the Debenture Trustee shall hold true the representations, without being required to verify the authenticity of such representations by the Company, received in the certificate of the chartered accountant as provided by the</p>
--	---



## Press Release

	<p>Company for monitoring the maintenance of the value of Hypothecated Assets above the Secured Collateral Value.</p> <p>10.1.9 The Company shall execute any further instruments and take further action as Debenture Trustee may reasonably request to perfect or continue Debenture Trustee's right in the Security or to effect the transactions contemplated under the Transaction Documents.</p> <p>10.1.10 The Company shall not declare dividend to the Debenture Holder in any year until the Company has paid or made satisfactory provision for the payment of the instalments of principal and interest due on the Debentures.</p> <p>10.1.11 Duties of the trustee including the terms and conditions of periodical monitoring.</p> <p><b>10.2 Specific Restrictive Covenants</b></p> <p>The Issuer hereby covenants and agrees with the Debenture Trustee that until all the Secured Obligations under this Agreement and/or the other Transaction Documents are fully discharged and performed to the satisfaction of Debenture Holder and Debenture Trustee. the Company shall not, and the Promoters shall ensure that the Company does not, without the prior written approval of the Debenture Holder and Debenture Trustee:</p> <p>10.2.1 contract, create, incur, assume or suffer to exist any manner whatsoever except as specifically permitted under this Agreement or as maybe specifically approved;</p> <p>10.2.2 Pay any commission to its Promoters, directors, managers or other Persons for furnished guarantees, counter guarantees or indemnities or for undertaking any other Obligations undertaken for or by the Company.</p>
--	--



## Press Release

	<p>10.2.3 Make any significant changes in the composition of the Board of directors of the Company.</p> <p>10.2.4 Undertake or permit any re-organization, re capitalization, liquidation, dissolution, merger, de-merger, consolidation, scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction wherein such approval shall not be unreasonably withheld.</p> <p>10.2.5 Make any investments whether by way of deposits, loans, or investments in share capital or otherwise, in any concern, or provide any credit or give any guarantee, Indemnity or similar assurance or surety except as specifically permitted under this Agreement or as may be specifically approved, which approval shall not be unreasonably withheld.</p> <p>10.2.6 Reduce its capital or quasi equity (i.e. loans taken from other group entities).</p> <p>10.2.7 Permit any decrease in the Promoters' stake in the Company, except in accordance with the existing agreement entered into between the Company, the Promoters and the existing investors (as on the date of this Agreement), provided that, in no event shall the Promoters' collective stake in the Company stand reduced by more than 25% (twenty five per cent) of the total shareholding percentage of the Promoters on a fully diluted basis (as on the date of this Agreement), either by way of a fresh infusion or a share transfer.</p> <p>10.2.8 Permit or undertake the pre-payment of any long-term debt by creating further long- term debt and the terms of which are not in favor of the business of the Company.</p> <p>10.2.9 Take or incur any loan or financial obligations towards any Person.</p>
--	---





## Press Release

	<p>10.2.10 shall not create further charge or encumbrance over the assets charged without the approval of the Trustee unless the Debenture Trustee's approval is provided.</p> <p>10.2.11 Comply with all directions/guidelines issued by a Regulatory authority, with regard to the Issue.</p>
--	---

#### 4. NCD Issue Size: Rs. 0.60 crore:

<b>ISIN No.</b>	INE0DS107068
<b>Issue Date</b>	5 <sup>th</sup> Aug 2024
<b>Security Name</b>	11.10% Secured Unrated Unlisted Redeemable Non-Convertible Debentures
<b>Date of Maturity</b>	5 <sup>th</sup> Aug 2029
<b>Type of Instrument</b>	Non-Convertible Debentures (NCDs)
<b>Mode of Issue</b>	Private Placement
<b>Issue Size</b>	Rs. 0.60 crore
<b>Coupon Rate</b>	11.10%
<b>Tenure</b>	60 months from Deemed Date of Allotment
<b>Covenants</b>	Not Available

#### 5. NCD Issue Size: Rs. 0.70 crore

<b>ISIN No.</b>	INE0DS107076
<b>Issue Date</b>	5 <sup>th</sup> Aug 2024
<b>Security Name</b>	11.10% Secured Unrated Unlisted Redeemable Non-Convertible Debentures
<b>Date of Maturity</b>	5 <sup>th</sup> Aug 2026
<b>Type of Instrument</b>	Non-Convertible Debentures (NCDs)
<b>Mode of Issue</b>	Private Placement
<b>Issue Size</b>	Rs. 0.70 crore
<b>Coupon Rate</b>	11.10%



## Press Release

<b>Tenure</b>	24 months from Deemed Date of Allotment
<b>Covenants</b>	Not Available

### 6. NCD Issue Size: Rs. 2.06 crore

<b>ISIN No.</b>	Not Available**
<b>Issue Date</b>	04 <sup>th</sup> Sep 2024
<b>Security Name</b>	11.10% Secured Unrated Unlisted Redeemable Non-Convertible Debentures
<b>Date of Maturity</b>	04 <sup>th</sup> Sep 2030
<b>Type of Instrument</b>	Non-Convertible Debentures (NCDs)
<b>Mode of Issue</b>	Private Placement
<b>Issue Size</b>	Rs. 2.06 crore
<b>Coupon Rate</b>	11.10%
<b>Tenure</b>	60 months from Deemed Date of Allotment
<b>Covenants</b>	Not Available

*\*\*DMFL has applied for an ISIN number with NSDL and is awaiting for its issuance.*

### 7. Proposed NCDs of Rs. 12.34 crore:

<b>Name of Issuer</b>	Dhara Motor Finance Limited
<b>Name of Investor</b>	TBD
<b>Issue Amount (Proposed)</b>	INR 12.34 Crores in various series & tranches
<b>Depository</b>	TBD
<b>Tranches (1/2/3)</b>	Various
<b>Coupon Rate p.a. (Tentative)</b>	TBD
<b>Purpose of NCD</b>	TBD
<b>Frequency of Coupon Payment</b>	Monthly/Quarterly/Yearly
<b>Tenor of NCD with put/call option</b>	TBD
<b>Redemption of NCD</b>	TBD
<b>Security</b>	TBD
<b>Prepayment Clause and Indemnity Clause</b>	TBD
<b>Whether NCD will be Listed or Unlisted</b>	Unlisted
<b>Debenture Trustee Name</b>	TBD
<b>General Covenant (Mandatory)</b>	TBD
<b>Rating Covenant (Mention in 2-3 lines)-If rating</b>	TBD



## Press Release

**Annexure 4: List of companies considered for consolidated/Combined analysis:** Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

